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Questions and Answers
for the
***Wyoming Final Environmental Impact Statement and Proposed Plan
Amendment for the Powder River Basin Oil and Gas Project***
and the
***Montana Statewide Oil and Gas Final EIS and Proposed Amendment of
the Powder River and Billings Resource Management Plans***

Reviewing Agencies:

Bureau of Land Management
Montana Department of Environmental Quality
Montana Board of Oil and Gas Conservation
Wyoming Department of Environmental Quality
EPA – Region 8
US Forest Service

1. What is the purpose of an environmental impact statement (EIS) and why do land management agencies use them?

Land management agencies develop environmental impact statements to:

- help agencies make better decisions.
- comply with the National Environmental Policy Act.
- consider a full and reasonable range of alternatives to the proposed action.
- research and develop ways to avoid or mitigate impacts.
- disclose impacts so decisions are made with potential consequences known.
- involve the public in the EIS development process.

In the case of the Powder River Basin Final EISs:

- the **Montana** Statewide Oil and Gas Final EIS and Proposed Amendment of the Powder River and Billings Resource Management Plans (RMP) analyzes different alternatives to manage the exploration and development activities of oil and gas, especially coalbed natural gas, resources within the Billings and Powder River RMP areas (for BLM) and statewide (for the State of Montana).
- The **Montana** EIS was prepared with the State of Montana as co-lead, and the EPA, BIA, DOE and Crow Tribe as cooperating agencies. The Northern Cheyenne Tribe also assisted in preparation of the EIS but chose not to formally become a cooperating agency.
- **Wyoming's** Powder River Basin Oil and Gas Final EIS and Plan Amendment analyzes a proposal by companies to drill and develop oil and gas wells within the

Powder River Basin Project Area in northeastern Wyoming to amend RMPs for Buffalo and Platte River (Casper).

- The **Wyoming** EIS was prepared with the U.S. Forest Service and the State of Wyoming (four counties and five conservation Districts in the area) as cooperating agencies.

2. Why did the BLM prepare two environmental impact statements for coalbed natural gas development activities in the Powder River Basin, which is one regional area that happens to spread across two states?

The Wyoming and Montana Final EISs are being issued separately primarily because the documents involved different cooperators and co-leads with independent jurisdictions and legal responsibilities.

In addition, the Montana EIS covered the entire state of Montana while the Wyoming EIS addressed only lands within the Powder River Basin.

Finally, most of the information and analysis presented in the documents is specific to the lands and resources within each state, or as is the case for the surface water quality analysis, individual watersheds. Cumulative effects for air and surface water were analyzed jointly for both documents relating to the Powder River Basin. To the degree possible, the effects are similarly disclosed in each document.

3. What is the potential for technically recoverable coalbed natural gas in the Powder River Basin of Wyoming and in the entire state of Montana?

The Powder River Basin, straddling the Wyoming-Montana state line, is one of the nation's most coal-rich regions. It supplies up to one-third of the nation's demand for coal, according to industry reports. The majority of coal lies in Wyoming, as does the majority of the coalbed natural gas potential. The final EIS for Wyoming estimates approximately 25 trillion cubic feet of coalbed natural gas in the Wyoming portion of the Powder River Basin. The FEIS for Montana estimates coalbed natural gas potential in a range from 1 to 17.7 trillion cubic feet in the entire state of Montana. Estimates for BLM figures are discussed in the Final EISs.

The recently released USGS report, *Assessment of Undiscovered Oil and Gas Resources of the Powder River Basin Province of Wyoming and Montana, 2002*, estimates 14.3 trillion cubic feet of coalbed natural gas. Similarly, a DOE report addressing options for managing produced water from coalbed natural gas wells in the Powder River Basin estimated the 39 trillion cubic feet of coalbed natural gas.

4. Why is there a difference between the coalbed natural gas estimates for the Powder River Basin?

Differences in the resource estimates result from the use of different methodologies and data on coal resources and their gas content used by each agency. The DOE estimates are based on reservoir simulation methodology using actual well data, while the USGS was based on a volumetric methodology. While there are many variables used in each methodology, the DOE study used an average gas content of 87 cubic feet per ton of coal and USGS study used less than half of that value. Regardless of the estimates used, it is important to note that coalbed natural gas resource estimates have steadily increased as improved data and understanding have been gained. As new information is acquired on the coalbed natural gas resource, their resource estimates are expected to increase.

5. What were the major issues raised and addressed in the Draft EISs?

1. Water quality (surface and groundwater, irrigation, dewatering aquifer)
2. Air quality
3. Land-owner concerns about effects from federal mineral developments
4. Noise pollution
5. Wildlife issues
6. Infrastructure
7. Native American Issues in Montana

6. What does the Preferred Alternative include?

The Preferred Alternative in both EISs includes drilling, completing, operating and reclaiming new coalbed natural gas wells and constructing, operating and reclaiming various ancillary facilities needed to support the new wells. A variety of measures will be used to ensure compliance with clean air and clean water regulatory requirements, in full compliance with all applicable laws and regulations. Measures will also be employed to reduce impacts to surface resources and other land uses to the extent practical and feasible. Overall, the Preferred Alternative provides for development of oil and gas resources while establishing a reasonable level of protection to the environment in consideration of social, economic and environmental effects.

The Preferred Alternative provides the BLM and the Wyoming and Montana DEQs necessary flexibility to comply with applicable national and state air and water quality standards.

7. Why didn't the BLM issue a supplemental Draft EIS?

Largely due to the coordinated efforts of the BLM, EPA and the Montana and Wyoming DEQs to be responsive to public comments, numerous changes were made in the Final EISs. The BLM has carefully evaluated the need to issue a supplement to the Draft EIS and determined that although the Final EISs have been greatly improved since the Draft EISs, the agency did not make substantial changes in the proposed action. In addition, some information was included in the Final EISs that was not available when the Draft

EISs were released. However, the BLM determined that there were no significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts. Therefore, the BLM is not required to prepare a supplement to the Draft EISs.

8. Will the BLM amend existing resource management plans (RMPs)?

The BLM RMPs would be amended to allow oil and gas exploration and development at the level analyzed in the Final EIS and to adopt new conditions of use. In addition, the Final EIS updates the NEPA analysis for the RMPs for management of oil and gas exploration and development on federal leases.

9. How will the Wyoming Final EIS affect U.S. Forest Service lands?

For the U.S. Forest Service, the Final EIS will be used to evaluate the impacts of oil and gas exploration and development at the level analyzed in the Final EIS, update the NEPA analysis for the Land and Resource Management Plan (LRMP) to include the impacts of potential coalbed natural gas development, and adopt stipulations for a certain portion of the Thunder Basin National Grassland with coalbed natural gas development potential (west of the Wyoak coal outcrop line).

10. How successful was the BLM in resolving the Draft EIS issues raised by the Environmental Protection Agency (EPA) concerning air and water quality impacts?

The BLM has worked cooperatively with the EPA and the Montana and Wyoming DEQs to address the EPA concerns. Numerous changes were made to improve the air and water quality sections of the documents. The BLM is confident that the changes made substantially respond to the EPA concerns. However, the EPA will not have formal comments complete until the end of the protest period.

11. Why did EPA rate the Draft EIS and will they rate the Final EISs?

EPA reviewed the Draft EIS because under Section 309 of the Clean Air Act, EPA "shall review and comment in writing on the environmental impact..." of proposed federal projects. This independent review responsibility is in addition to the NEPA requirement that a federal agency proposing a project "shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise..." EPA has jurisdiction by law over the Clean Water Act, the Clean Air Act, the Safe Drinking Water Act, and several other statutes that affect coalbed natural gas development. It is not EPA's standard practice to rate Final EISs.

12. The Draft EIS in Wyoming projected violations of the Clean Water Act resulting from surface discharge of produced water in select watersheds. How has BLM and Wyoming DEQ addressed that?

Though the draft EIS documents the potential for violations of certain water quality standards, it was never the intention of the BLM or the Wyoming DEQ to allow such violations to occur. The Preferred Alternative in the Final EIS requires the use of mitigation measures that will reduce the amount of water discharged into streams, and the use of enhanced water treatment and handling techniques as necessary to ensure actions conform with the requirements of the Clean Water Act.

13. How many public comments were received and what was their general theme?

The Wyoming Draft EIS was available for public review and comment from January 18, 2002, through May 15, 2002, and the BLM received more than 17,000 comments. During that period, the BLM in Wyoming conducted four public meetings on the Draft EIS.

The Montana Draft EIS was available during the same time, and BLM-Montana received more than 18,000 comments. During that period, the BLM in Montana conducted five joint public meetings with the state of Montana, and the state conducted one public meeting without BLM involvement.

The comments and BLM's responses are addressed in each Final EIS.

14. How did BLM respond to the public comments?

The BLM made a variety of changes throughout the documents, including correction of errors in some calculations, updating information on the Departments of Environmental Quality permitting processes for produced waters, revising some of the models used to predict environmental effects, and providing some additional information concerning biological resources. The Final EISs provide detailed responses to the public comments, though some information on the BLM's response to comments on air and water quality are provided here.

- The BLM worked cooperatively with the EPA and the Wyoming and Montana DEQs to ensure higher levels of consistency where appropriate and improve the air and surface water quality impact analysis methods.
 - For example: the agencies agreed to common analytical assumptions and prepared a joint cumulative impact assessment for surface water based on information provided by the US Geological Survey (USGS).
- The Montana and Wyoming Final EISs used the same updated air quality analysis.

- Both documents include an expanded section on water and air quality monitoring and the roles and responsibilities of the agencies in regard to issuing permits for water discharges and air emissions.
- Both documents describe in more detail some of the mitigation options available to the permitting agencies to ensure compliance with all activities with the Clean Air Act and the Clean Water Act.

15. How were differences remaining between Montana and Wyoming for analytical assumptions handled?

Where differences in certain analytical assumptions are still warranted, the rationale for the assumptions is explained more thoroughly in the Final EISs.

16. How were the Northern Cheyenne Tribe's mitigation concerns addressed in the Montana Final EIS?

The BLM considered the Northern Cheyenne Tribe's proposed mitigation measures to determine their feasibility. The Montana Final EIS includes those mitigation measures considered to be feasible. Overall, the mitigation measures included in the Final EIS should meet the intent of the protection needs identified by the Tribe.

17. What happens next?

The Final EISs will be published and distributed to the public starting January 10, 2003. The Notice of Availability will be published in the Federal Register January 17. The protest period will start January 17 and close February 18.

The Montana Board of Oil and Gas Conservation will hold a 30-day public comment period to run concurrently with the BLM's protest period, hold a public hearing on February 6, 2003, and issue its own Record of Decision.

18. How much time is allowed for protests and who can register a protest?

The BLM Planning Regulations, 43 CFR 1610.5-2, state that any person who participated in the planning process and has an interest that may be adversely affected, may protest. A protest may only raise those issues that were submitted for the record during the planning process. The protest shall be filed within 30 days of the date the Environmental Protection Agency publishes the notices of receipt of the Final EISs in the *Federal Register*. Information pertaining to the protest procedures is in each Final EIS.

19. How much time is given for resolution of protests?

There is no time limit – they will be resolved as soon as possible.

20. When will the Record of Decision be issued?

If no protests are received, the ROD will be issued immediately after the close of the protest period on February 18. If protests are received, the ROD will be issued as soon as those protests are resolved.

21. Do the decisions associated with the Final EISs authorize lease activities?

The decisions associated with the Final EISs are not the final reviews and approvals for actions described in the documents. The BLM, the US Forest Service and the State of Montana must conduct the appropriate level of environmental review prior to approving the various lease activities, such as construction, drilling and reclamation. At the time such approvals are granted, those decisions will be subject to administrative reviews according to the applicable regulations of the approving federal agency. A variety of other permits, such as those issued by the state DEQs, will also be necessary for most actions.

22. What happens after the Record of Decision is issued?

Once the ROD is issued, applications for permit to drill will be reviewed by the BLM and state regulatory agencies. The BLM and the US Forest Service in Wyoming must conduct the appropriate level of environmental review prior to approving the various components of the project that involves ground disturbance. A variety of other permits, such as those issued by the state DEQs, will also be necessary for most actions.

23. Where can I get a copy of the Final EIS documents for Wyoming and Montana?

You may view the Final EISs on the BLM's website at <http://www.blm.gov> after January 10, 2003. This site provides a link to the BLM Wyoming and Montana websites. Additional information on the Wyoming Final EIS is available at <http://www.prb-eis.org>.

Copies of the Final EISs are available for public inspection at the following BLM offices in Wyoming, Montana and Washington, D.C. We recommend you begin by reading the Executive Summary.

Wyoming State Office
5353 Yellowstone Road
Cheyenne, Wyoming 82009

Buffalo Field Office
1425 Fort Street
Buffalo, Wyoming 82834

Casper Field Office
2987 Prospector Drive
Casper, Wyoming 82604-2968

Montana State Office
5001 Southgate Street

Miles City Field Office
111 Garryowen Rd

Billings Field Office
5001 Southgate Street

Billings, Montana 59101

Miles City, MT 59301

Billings, Montana 59301

Public Affairs Office
1620 L St. NW, Suite 406
Washington, D.C. 20036

For information about the Montana Final EIS, contact Greg Albright, External Affairs Office, 406-896-5011.

For information about the Wyoming Final EIS, contact Susanne Moore, External Affairs Chief, 307-775-6011.